



Revised Fiscal Note H.B. 374

2018 General Session
Apportionment of Business Income
Amendments
by McCay, D.



General, Education, and Uniform School Funds

JR4-5-101

	Ongoing	One-time	Total
Net GF/EF/USF (rev.-exp.)	\$(27,775,000)	\$27,775,000	\$0

State Government

UCA 36-12-13(2)(b)

Enactment of this bill may decrease revenues to the Education Fund by an estimated \$8.6 million in FY 2020, \$16.4 million in FY 2021, and an ongoing \$27.8 million beginning in FY 2022 when the sales factor is fully phased in.

Revenues	FY 2018	FY 2019	FY 2020
Education Fund	\$0	\$(27,775,000)	\$(27,775,000)
Education Fund, One-Time	\$0	\$27,775,000	\$19,079,000
Total Revenues	\$0	\$0	\$(8,696,000)

Enactment of this legislation likely will not materially impact state expenditures.

Expenditures	FY 2018	FY 2019	FY 2020
Total Expenditures	\$0	\$0	\$0

Net All Funds	\$0	\$0	\$(8,696,000)
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Local Government

UCA 36-12-13(2)(c)

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

Individuals & Businesses

UCA 36-12-13(2)(d)

Enactment of this bill phases in a single sales factor apportionment for most taxpayers, unless a taxpayer is an optional apportionment taxpayer. Some businesses will benefit as a result of the changes in business income apportionment, while others will see an increase in tax liability. Beginning in FY 2022 when single sales apportionment is fully phased in, approximately 0.9% of businesses will see tax savings of \$71,700 on average, while 2.1% of businesses will see a tax increase of \$22,600 on average.

Regulatory Impact

UCA 36-12-13(2)(e)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

No performance note required for this bill
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Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.